EXHIBIT 7 – Part 2

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

The following should be read in conjunction with the consolidated financial statements and notes included herein. This ''Management's Discussion and Analysis of Financial Condition and Results of Operations'' and ''Quantitative and Qualitative Disclosures about Market Risk'' contain certain non-GAAP financial measures. See ''Non-GAAP Financial Measurements'' for reconciliation of our non-GAAP financial measures to the comparable GAAP financial measures.

Overview

Care Investment Trust Inc. (all references to ''Care'', ''the Company'', ''we'', ''us'', and ''our'' means Care Investment Trust Inc.) is a newly-organized, real estate investment and finance company formed principally to invest in healthcare-related commercial mortgage debt and real estate. We provide financing to companies operating a full range of healthcare-related facilities, including skilled nursing facilities, hospitals, outpatient centers, surgery centers, senior housing, assisted living facilities, independent living facilities, continuing care retirement communities, medical office buildings, laboratories and other healthcare facilities. We intend to provide mortgage financing secured by these healthcare facilities, including first lien mortgage loans, mezzanine loans, B Notes and construction loans. In addition, we intend to make investments in healthcare real estate assets that are consistent with our investment guidelines, such as acquisitions of healthcare facilities.

Care is externally managed and advised by CIT Healthcare LLC (''Manager''), a wholly-owned subsidiary of CIT Group Inc. Our Manager is a healthcare finance company that offers a full-spectrum of financing solutions and related strategic advisory services to companies across the healthcare industry throughout the United States. Our Manager was formed in 2004 and is a wholly-owned subsidiary of CIT Group Inc., a leading commercial and consumer finance company that provides clients with financing and leasing products and advisory services. We intend to qualify as a real estate investment trust, or REIT, for federal income tax purposes and will elect to be taxed as a REIT under the Internal Revenue Code of 1986, as amended, commencing with our taxable year ending December 31, 2007. We generally will not be subject to federal taxes on our taxable income to the extent that we distribute our taxable income to stockholders and maintain our qualification as a REIT.

We intend to utilize leverage in accordance with our investment guidelines in order to increase our overall returns. Our investment guidelines state that our leverage will generally not exceed 80% of the total value of our investments. Current conditions in the credit markets have resulted in significantly reduced availability of liquidity and may require Care to utilize less leverage in the near term, resulting in slower growth than planned. We anticipate in the long term, when credit markets stabilize and liquidity becomes available, that our overall leverage will be between 70% and 80% of the total value of our investments, but our actual leverage will depend on our mix of investments and the cost of leverage. Our charter and bylaws do not limit the amount of indebtedness we can incur, and our board of directors has discretion to deviate from or change our investment guidelines at any time. We will use leverage for the sole purpose of financing our portfolio and not for the purpose of speculating on changes in interest rates. Our financing strategy focuses on the use of match-funded financing structures. Accordingly, we will seek to match the maturities and/or repricing schedules of our financial obligations with those of our investments to minimize the risk that we will have to refinance our liabilities prior to the maturities of our investments and to reduce the impact of changing interest rates on earnings.

We will use short-term financing, in the form of warehouse facilities, secured bank lines and repurchase agreements. These short-term financing structures are typically in the form of collateralized loans made to borrowers who invest in securities and loans and, in turn, pledge the resulting securities and loans to the lender. We are currently negotiating a warehouse facility with Column Financial Inc, an affiliate of Credit Suisse Securities, LLC. In addition, we are in discussions with several financial

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institutions relating to other short-term financings. For longer-term funding, we expect that as our portfolio of assets becomes large enough and when the securitized credit markets stabilize, we will enter into collateralized debt obligations (''CDOs'') or commercial mortgage-backed securities (''CMBS''), as well as other match-funded secured financing structures. We also intend to finance a portion of the purchase price of our investments in real estate by borrowing property-specific non-recourse debt from third parties.

We have not invested in any loans that contain assets that could be classified as sub-prime residential mortgages. We do not anticipate that losses in the sub-prime residential mortgage market will affect our portfolio of healthcare-related commercial mortgages. However, continued turmoil in the sub-prime residential market may have an effect on the commercial mortgage market in general, including reduced liquidity and general availability of credit.

As of June 30, 2007, we held investment in variable rate and fixed rate loans of approximately $248.6 million and $34.5 million, net of premiums, respectively. These loans are principally first mortgage loans or term loans secured by first mortgages. The investments are in various geographic markets within the United States. As of June 30, 2007, none of these loans were delinquent or in default.

Critical Accounting Policies

Loans and Investments

Loans held for investment are intended to be held to maturity and, accordingly, are carried at cost, net of unamortized up-front loan fees, acquisition premium and acquisition costs, unless such loan or investment is deemed to be impaired. At such time as we invest in preferred equity interests that allow us to participate in a percentage of the underlying property's cash flows from operations and proceeds from a sale or refinancing, we must determine whether such investment should be accounted for as a loan, joint venture or as real estate at the inception of the investment. Care did not own any preferred equity investments at June 30, 2007.

The expense for possible credit losses in connection with loan investments is a charge to earnings to increase the allowance for possible credit losses to the level that management estimates to be adequate considering delinquencies, loss experience and collateral quality. Specific valuation allowances are established for impaired loans based on the fair value of collateral on an individual loan basis. The fair value of the collateral may be determined by an evaluation of operating cash flow from the property during the projected holding period, and estimated sales value computed by applying an expected capitalization rate to the stabilized net operating income of the specific property, less selling costs. Alternatively, for construction loans, the fair value of the collateral may be determined based on the estimated cost to complete and projected sales value of the property. Whichever method is used, other factors considered relate to geographic trends and project diversification, the size of the portfolio and current economic conditions. Based upon these factors, we will establish an allowance for possible credit losses. When it is probable that we will be unable to collect all amounts contractually due, the loan is considered impaired.

Where impairment is indicated, an impairment charge is recorded based upon the excess of the recorded investment amount over the net fair value of the collateral, as reduced by selling costs. As of June 30, 2007, we had no impaired loans and accordingly, no allowance for loan losses.

We rely on significant subjective judgments and assumptions of our Manager regarding the above items. There may be a material impact to these financial statements if our Manager's judgment or assumptions are subsequently determined to be incorrect.

Revenue Recognition

Interest income on investments in loans is recognized over the life of the investment on the accrual basis. Fees received in connection with loans are recognized over the term of the loan as an adjustment to yield. Anticipated exit fees, whose collection is expected, will also be recognized over

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the term of the loan as an adjustment to yield. Unamortized fees are recognized when the associated loan investment is repaid before maturity on the date of such repayment. Premium and discount on purchased loans are amortized or accreted on the effective yield method over the remaining terms of the loans.

Income recognition will generally be suspended for loan investments at the earlier of the date at which payments become 90 days past due or when, in our opinion, a full recovery of income and principal becomes doubtful. Income recognition is resumed when the loan becomes contractually current and performance is demonstrated to be resumed.

Stock-based Compensation Plans

We account for stock-based compensation in accordance with the provisions of Statement of Financial Accounting Standards (''SFAS'') 123R, *Accounting for Stock-Based Compensation*. SFAS 123R requires that compensation cost for stock based compensation be recognized ratably over the benefit period of the award. Because all of our stock-based compensation is issued to non-employees, the amount of compensation is to be adjusted, in accordance with Emerging Issues Task Force (''EITF'') 96-18, *Accounting for Equity Instruments That are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling Goods or Services*, in each subsequent reporting period based on the fair value of the award at the end of the reporting period until such time as the award has vested or the service being provided is substantially completed or, under certain circumstances, likely to be completed, which ever occurs first.

Income Taxes

We intend to elect to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code beginning with our taxable year ending December 31, 2007. To qualify as a REIT, we must meet certain organizational and operational requirements, including a requirement to distribute at least 90% of our ordinary taxable income to stockholders. As a REIT, we generally will not be subject to federal income tax on taxable income that we distribute to our stockholders. If we fail to qualify as a REIT in any taxable year, we will then be subject to federal income tax on our taxable income at regular corporate rates and we will not be permitted to qualify for treatment as a REIT for federal income tax purposes for four years following the year during which qualification is lost unless the Internal Revenue Service grants us relief under certain statutory provisions. Such an event could materially adversely affect our net income and net cash available for distributions to stockholders. However, we believe that we will operate in such a manner as to qualify for treatment as a REIT and we intend to operate in the foreseeable future in such a manner so that we will qualify as a REIT for federal income tax purposes. We may, however, be subject to certain state and local taxes.

Recently Issued Accounting Pronouncements

In June, 2007, the American Institute of Certified Public Accountants (AICPA) issued Statement of Position (SOP) 07-01, *Clarification of the Scope of the Audit and Accounting Guide* Investment Companies *and Accounting for Parent Companies and Equity Method Investors for Investments in Investment Companies.* This SOP provides guidance for determining whether an entity is within the scope of the AICPA Audit and Accounting Guide *Investment Companies* (the Guide). Entities that are within the scope of the Guide are required, among other things, to carry their investments at fair value, with changes in fair value included in earnings. The provisions of this SOP are effective for the Company on January 1, 2008. The Company is currently evaluating this new guidance and has not determined whether it will be required to apply the provisions of the Guide in presenting its financial statements.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*, which established a framework for calculating the fair value of assets and liabilities as required by numerous other accounting pronouncements, and expands disclosure requirements of the fair value of certain assets and liabilities. SFAS 157 is effective for us on January 1, 2008. The Company is currently evaluating the impact, if any, that the adoption of this statement will have on our consolidated financial statements.

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In January 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*. This statement was issued with the intent to provide an alternative measurement treatment for certain financial assets and liabilities. The alternative measurement would permit fair value to be used for both initial and subsequent measurement, with changes in fair value recognized in earnings as those changes occur. This ''Fair Value Option'' would be available on an instrument-by-instrument basis. For us, SFAS 159 is effective for January 1, 2008. The Company is currently assessing the impact, if any, that adoption of this statement will have on our consolidated financial statements.

Results of Operations

For the period from June 22, 2007 (commencement of operations) to June 30, 2007

Revenue

We earned investment income of $573,385 from June 22, 2007 (commencement of operations) through June 30, 2007, which was generated on our portfolio of 15 mortgage and real estate related investments. We did not utilize leverage during the period and therefore did not incur any interest expense related to the financing of our investments. In order to increase our net income and therefore the available dividend to our stockholders we intend to pursue a strategy of acquiring additional investments by leveraging our portfolio of investments through a warehouse facility and other borrowings. As Care is not currently levered, income from investments on loans for the period from June 22, 2007 through June 30, 2007 is not representative of the Company's business plan.

Other Income of $3,202 for the period from June 22, 2007 (commencement of operations) to June 30, 2007 represents interest earned on cash balances from the proceeds from our initial public offering invested in overnight funds at money market rates.

Expenses

We recorded total related party expenses of $56,252 consisting of the base management fee payable to our Manager under our management agreement. Certain other expenses for services provided by our Manager under the terms of the management agreement were not billed due to the limited number of days in operation for the period ended June 30, 2007.

Included in our expenses is stock based non-employee compensation related to our issuance of 133,333 shares of restricted common stock to our Manager's employees, some of whom are also Care officers or directors, and 15,000 shares to our independent directors with a total fair value of $2,224,995 at the date of grant. The shares granted to our Manager's employees vest on June 22, 2010, three years from the date of grant. The shares granted to our independent directors vest ratably over the next three years on each anniversary of the date of grant. Pursuant to SFAS 123R, we recognized $18,542 in expense from June 22, 2007 (commencement of operations) to June 30, 2007 related to these stock grants. The remaining $2,206,453 of this compensation will be recognized over the remaining vesting period and the amount of the compensation adjusted to fair value at each measurement date pursuant to SFAS 123R.

Marketing, general and administrative expenses were $283,289 for the period from June 22, 2007 (commencement of operations) to June 30, 2007, which represent professional fees, insurance and general overhead costs for the Company. We had $19,761 of expenses relating to our formation involving miscellaneous non-recurring costs for initial setup, design and related work.

As discussed above, we also recorded non-employee compensation expense of $9,115,350 related to the issuance of 607,690 shares of our common stock to our Manager pursuant to the Manager Equity Plan. The 607,690 shares represent approximately 46% of the total shares available under the plan and 717,945 shares remain available under the Manager Equity Plan.

The management fees, expense reimbursements, formation costs and the relationship between our Manager and us are discussed further in ''Related Party Transactions.''

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We had a net loss of $8,896,846 for the period from June 22, 2007 (commencement of operations) to June 30, 2007. The net loss includes the issuance of 607,690 shares of our common stock to our Manager with a fair value of $9,115,350. The loss includes $19,761 in expenses relating to our formation involving professional services for initial setup, design and related work.

Liquidity and Capital Resources

Liquidity is a measurement of our ability to meet potential cash requirements, including ongoing commitments to repay borrowings, fund and maintain loans and other investments, pay dividends and other general business needs. Our primary source of funds for liquidity consists of funds we raised in our initial public offering in June 2007. Additional sources of liquidity will be net cash provided by operating activities, repayment of principal by our borrowers in connection with our loans and investments, borrowings under warehouse facilities currently under negotiation, the issuance by us or special purpose vehicles owned by us of fixed income securities collateralized by certain of our investments and the issuance by us of preferred equity or common equity in secondary offerings.

We believe these sources of financing, including the net proceeds of our initial public offering, will be sufficient to meet our near-term liquidity needs. Since our initial public offering in June 2007, liquidity in the global credit markets has been curtailed and interest rate spreads have widened significantly. Concerns stemming from the sub-prime residential mortgage market in the United States have spilled over to other sectors of the credit markets, including securitized financing vehicles such as short-term warehouse facilities and longer-term structures such as CDOs and CMBS. This disruption in the credit markets may impede our ability to grow in the short-term until the credit markets return to a more normal environment. We are continuing to negotiate on warehouse facilities; however, the terms of the facilities under negotiation are likely to be more restrictive with respect to advance rates and possibly more expensive than we originally planned.

Our ability to meet our long-term liquidity and capital resource requirements will be subject to obtaining additional debt financing and equity capital. If we are unable to renew, replace or expand our sources of financing on substantially similar terms, it may have an adverse effect on our business, results of operations, and ability to make distributions to our stockholders. Depending on market conditions, we expect that once we are fully levered, our debt financing will be in the range of 70% to 80% of the carrying value of our total assets. Any indebtedness we incur will likely be subject to continuing covenants and we will likely be required to make continuing representations and warranties about our company in connection with such debt. Our debt financing terms may require us to keep un-invested cash on hand, or to maintain a certain portion of our assets free of liens, each of which could serve to limit our borrowing ability. Moreover, our debt may be secured by our assets. If we default in the payment of interest or principal on any such debt, breach any representation or warranty in connection with any borrowing or violate any covenant in any loan document, our lender may accelerate the maturity of such debt requiring us to immediately repay all outstanding principal. If we are unable to make such payment, our lender could foreclose on our assets that are pledged as collateral to such lender. The lender could also sue us or force us into bankruptcy. Any such event would have a material adverse effect on our liquidity and the value of our common stock. In addition, posting additional collateral to support our credit facilities will reduce our liquidity and limit our ability to leverage our assets.

To maintain our status as a REIT under the Internal Revenue Code, we must distribute annually at least 90% of our taxable income. These distribution requirements limit our ability to retain earnings and thereby replenish or increase capital for operations. However, we believe that, when the credit markets return to normal conditions, our significant capital resources and access to financing will provide us with financial flexibility at levels sufficient to meet current and anticipated capital requirements, including funding new lending and investment opportunities, paying distributions to our stockholders and servicing our debt obligations.

Capitalization

As of June 30, 2007, we had 21,012,373 shares of common stock outstanding.

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Quantitative and Qualitative Disclosures about Market Risk

Market risk includes risks that arise from changes in interest rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. In pursuing our business plan, we expect that the primary market risks to which we will be exposed are real estate and interest rate risks.

Real Estate Risk

Commercial mortgage assets and net operating income derived from such properties are subject to volatility and may be affected adversely by a number of factors, including, but not limited to, national, regional and local economic conditions which may be adversely affected by industry slowdowns and other factors, local real estate conditions (such as an oversupply of retail, industrial, office or other commercial space), changes or continued weakness in specific industry segments, construction quality, age and design, demographic factors, retroactive changes to building or similar codes, and increases in operating expenses (such as energy costs). In the event net operating income decreases, or the value of property held for sale decreases, a borrower may have difficulty repaying our loans, which could result in losses to us. Even when a property's net operating income is sufficient to cover the property's debt service, at the time a loan is made, there can be no assurance that this will continue in the future.

Turmoil in the residential mortgage market may continue to have an effect on the commercial mortgage market and real estate industry in general.

Interest Rate Risk

Interest rate risk is highly sensitive to many factors, including the availability of liquidity, governmental monetary and tax policies, domestic and international economic and political considerations and other factors beyond our control.

Our operating results will depend in large part on differences between the income from our assets and our borrowing costs. Most of our assets and borrowings are expected to be variable-rate instruments that we will finance with variable rate debt. The objective of this strategy is to minimize the impact of interest rate changes on the spread between the yield on our assets and our cost of funds. Although we have not done so to date, we may enter into hedging transactions with respect to all liabilities relating to fixed rate assets in the future. If we were to finance fixed rate assets with variable rate debt and the benchmark for our variable rate debt increased, our net income would decrease. Furthermore, as most of our planned financing will allow the lender to mark our assets to market and make margin calls based on a change in the value of our assets, financing fixed rate assets with floating rate debt will create the risk that an increase in fixed rate benchmarks (such as ''swap'' yields) would decrease the value of our fixed rate assets. Some of our loans may be subject to various interest rate floors. As a result, if interest rates fall below the floor rates, the spread between the yield on our assets and our cost of funds will increase, which will generally increase our returns.

In the event of a significant rising interest rate environment and/or economic downturn, delinquencies and defaults could increase and result in credit losses to us, which could adversely affect our liquidity and operating results. Further, such delinquencies or defaults could have an adverse effect on the spreads between interest-earning assets and interest-bearing liabilities.

Our funding strategy involves leveraging our investments through borrowings, generally through the use of warehouse facilities, bank credit facilities, repurchase agreements, secured loans, securitizations, including the issuance of CDOs or Commercial Mortgage Bond Securities, loans to entities in which we hold, directly or

indirectly, interests in pools of assets, and other borrowings. In the short-term we intend to use warehouse lines of credit to finance the acquisition of assets until a sufficient quantity of eligible assets is accumulated, at which point we intend to refinance through a CDO securitization or other long-term secured financing. Currently, the availability of liquidity through CDOs is very limited due to investor concerns surrounding sub-prime mortgage credit risk, hedge fund losses, the large volume of unsuccessful leveraged loan syndications and related impact on

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the overall credit markets. These concerns have materially impacted liquidity in the debt markets, making financing terms for borrowers significantly less attractive. A prolonged downturn in the term CDO and CMBS markets may cause us to seek alternative sources of potentially less attractive financing, and may impede our ability to grow the Company in accordance with our business plan.

Contractual Obligations

The table below summarizes our contractual obligations as of June 30, 2007 (Amounts in thousands).

	2007	2008	2009	2010	2011+
Commitments to fund loans	$ 6.5	$ 1.1	$ —	$ —	$ —

The estimated amounts and timing of the commitments presented above are based on projections based on data provided by borrowers. The projections are subject to adjustments based on changes in borrowers' needs. Any amounts due to our Manager under the management agreement are not included in the table above because such amounts are not fixed and determinable.

Off-Balance Sheet Arrangements

As of June 30, 2007, we had no off-balance sheet arrangements.

Dividends

To maintain our qualification as a REIT, we must pay annual dividends to our stockholders of at least 90% of our REIT taxable income, determined before taking into consideration the dividends paid deduction and net capital gains. We intend to pay regular quarterly dividends to our stockholders. Before we pay any dividend, whether for Federal income tax purposes or otherwise, which would only be paid out of available cash to the extent permitted under our secured credit facility, we must first meet both our operating requirements and any scheduled debt service on our outstanding borrowings.

Related Party Transactions

Contribution Agreement

We and our Manager entered into a contribution agreement, pursuant to which our Manager contributed a portfolio of initial assets to us and we issued to our Manager restricted shares of our common stock and cash. Our Manager determined that the fair value of the assets contributed was approximately $283.1 million on June 22, 2007 inclusive of approximately $4.6 million in premium. The initial assets were acquired in exchange for approximately $204.3 million in cash from the proceeds of our initial public offering and 5,256,250 restricted shares of our common stock at a fair value of approximately $78.8 million. We recorded each initial asset we purchased at its fair value.

Management Agreement

In connection with our initial public offering, we entered into a management agreement with our Manager which describes the services to be provided by our Manager and its compensation for those services. Under the management agreement, our Manager, subject to the oversight of our board of directors, is required to conduct our business affairs in conformity with the policies and the investment guidelines that are approved by our board of directors. The management agreement has an initial term expiring on June 30, 2010, and will automatically be renewed for one-year terms thereafter unless terminated by us or our Manager.

Please see Note 5. *Related Party Transactions — Management Agreement* in the Notes To Consolidated Financial Statements in Part I — Item 1 for a summary description of the compensation, fees and costs payable to our Manager.

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Transactions with our Manager included:

- The acquisition of our initial assets from our Manager upon the completion of Care's initial public offering. The fair value of the acquisitions was approximately $283.1 million inclusive of approximately $4.6 million in premium. In exchange for these assets, we issued 5,256,250 restricted shares of common stock to our Manager at a fair value of approximately $78.8 million and paid approximately $204.3 million in cash from the proceeds of our initial public offering.
- Our issuance of 607,690 shares of common stock issued to our Manager concurrently with our initial public offering at fair value of $9,115,350 at date of grant. These shares vested immediately and therefore their fair value was expensed at issuance;
- Our issuance of 133,333 shares of restricted common stock to our Manager's employees, some who are also Care officers or directors, and 15,000 shares to our independent directors, with a total fair value of $2,224,995 at the date of grant. The shares granted to our Manager's employees vest on June 22, 2010, three years from the date of grant. The shares granted to our independent directors vest ratably over the next three years on each anniversary of the date of grant. Pursuant to SFAS 123R, we recognized $18,542 in expense from June 22, 2007 (commencement of operations) to June 30, 2007 related to these grants. The remaining $2,206,453 of this compensation will be recognized over the remaining vesting period and the amount of the compensation adjusted to fair value at each measurement date pursuant to SFAS 123R;
- Our $1,596,451 liability to our Manager for professional fees paid and other third party costs incurred by our Manager on behalf of Care related to the initial public offering of our common stock ($578,028) and business operations ($1,018,423); and
- Our accrual of $56,252 for the Base Management Fee as required pursuant to our agreement with our Manager from June 22, 2007 (commencement of operations) to June 30, 2007.

Funds from Operations

Funds from Operations, or FFO, which is a non-GAAP financial measure, is a widely recognized measure of REIT performance. We compute FFO in accordance with standards established by the National Association of Real Estate Investment Trusts, or NAREIT, which may not be comparable to FFO reported by other REITs that do not compute FFO in accordance with the NAREIT definition, or that interpret the NAREIT definition differently than we do.

The revised White Paper on FFO, approved by the Board of Governors of NAREIT in April 2002 defines FFO as net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from debt restructuring and sales of properties, plus real estate related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures.

Adjusted Funds from Operations

Adjusted Funds from Operations, or AFFO, is a non-GAAP financial measure. We compute AFFO in accordance with our management agreement's definition of FFO and as such it may not be comparable to AFFO reported by other REITs that do not compute AFFO on the same basis. Our management agreement defines FFO, for purposes of the agreement, to mean net income (loss) (computed in accordance with GAAP), excluding gains (losses) from debt restructuring and gains (losses) from sales of property, plus depreciation and amortization on real estate assets and non-cash equity compensation expense, and after adjustments for unconsolidated partnerships and joint ventures; provided, that the foregoing calculation of Funds From Operations shall be adjusted to exclude one-time events pursuant to changes in GAAP and may be adjusted to exclude other non-cash charges after discussion between the Manager and the independent directors, and approval by the majority of the independent directors in the case of non-cash charges.

FFO and AFFO

We believe that FFO and AFFO are helpful to investors as measures of the performance of a REIT because, along with cash flow from operating activities, financing activities and investing

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activities, FFO and AFFO provide investors with an indication of our ability to incur and service debt, to make investments and to fund other cash needs. AFFO, as defined in our agreement with our Manager, also provides the basis for the computation of the amount of the Management Incentive Fee payable to our Manager.

Neither FFO nor AFFO represent cash generated from operating activities in accordance with GAAP and they should not be considered as an alternative to net income (determined in accordance with GAAP), as an indication of our financial performance or cash flow from operating activities (determined in accordance with GAAP), as a measure of our liquidity, nor are they indicative of funds available to fund our cash needs, including our ability to make cash distributions.

FFO and AFFO for the period from June 22, 2007 (commencement of operations) to June 30, 2007 were as follows (in thousands except per share data):

	FFO for the period from June 22, 2007 (Commencement of Operations) to June 30, 2007 (Unaudited)	AFFO for the period from June 22, 2007 (Commencement of Operations) to June 30, 2007 (Unaudited)
Net Loss	$ (8,897)	$ (8,897)
Add:		
Stock-based compensation to Manager	—	9,115
Stock based non-employee compensation	—	19
Funds From Operations and Adjusted Funds From Operations	$ (8,897)	$ 237
Net cash provided by operating activities	$ 1,788	$ 1,788
Net cash used in investing activities	$ (204,272)	$ (204,272)
Net cash provided by financing activities	$ 210,270	$ 210,270
FFO and Adjusted FFO per share basic	$ (0.43)	$ 0.01
FFO and Adjusted FFO per share diluted	$ (0.43)	$ 0.01

FORWARD-LOOKING INFORMATION

We make forward looking statements in this Form 10-Q that are subject to risks and uncertainties. These forward looking statements include information about possible or assumed future results of our business and our financial condition, liquidity, results of operations, plans and objectives. They also include, among other things, statements concerning anticipated revenues, income or loss, capital expenditures, dividends, capital structure, or other financial terms, as well as statements regarding subjects that are forward looking by their nature, such as:

- our business and financing strategy;
- our ability to obtain future financing arrangements;
- our ability to acquire investments on attractive terms;
- our understanding of our competition;
- our projected operating results;
- market trends;
- estimates relating to our future dividends;
- completion of any pending transactions;
- projected capital expenditures; and
- the impact of technology on our operations and business.

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The forward looking statements are based on our beliefs, assumptions, and expectations of our future performance, taking into account the information currently available to us. These beliefs, assumptions, and expectations can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity, and results of operations may vary materially from those expressed in our forward looking statements. You should carefully consider this risk when you make a decision concerning an investment in our securities, along with the following factors, among others, that could cause actual results to vary from our forward looking statements:

- the factors referenced in this Form 10-Q, including those set forth under the section captioned ''Risk Factors'';
- general volatility of the securities markets in which we invest and the market price of our common stock;
- changes in our business or investment strategy;
- changes in healthcare laws and regulations;
- availability, terms and deployment of capital;
- availability of qualified personnel;
- changes in our industry, interest rates, the debt securities markets, the general economy or the commercial finance and real estate markets specifically;
- the degree and nature of our competition;
- the performance and financial condition of borrowers, operators and corporate customers;
- increased rates of default and/or decreased recovery rates on our investments;

- increased prepayments of the mortgage and other loans underlying our mortgage-backed or other asset-backed securities;
- changes in governmental regulations, tax rates and similar matters;
- legislative and regulatory changes (including changes to laws governing the taxation of REITs or the exemptions from registration as an investment company);
- availability of investment opportunities in real estate-related and other securities;
- the adequacy of our cash reserves and working capital; and
- the timing of cash flows, if any, from our investments.

When we use words such as ''will likely result,'' ''may,'' ''shall,'' ''believe,'' ''expect,'' ''anticipate,'' ''project,'' ''intend,'' ''estimate,'' ''goal,'' ''objective,'' or similar expressions, we intend to identify forward looking statements. You should not place undue reliance on these forward looking statements. We are not obligated to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise.

Item 4. Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Notwithstanding the foregoing, no matter how well a control system is designed and operated, it can provide only reasonable, not absolute, assurance that it will detect or uncover failures within our company to disclose material information otherwise required to be set forth in our periodic reports.

As of the end of the period covered by this report, we conducted an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and

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our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in Internal Controls over Financial Reporting

We began operations on June 22, 2007 and therefore all current internal controls were implemented during the period covered by this quarterly report. There has been no change in our internal control over financial reporting during the period from June 22, 2007 through June 30, 2007 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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Part II. Other Information

ITEM 1. Legal Proceedings

Care is not presently involved in any material litigation nor, to our knowledge, is any material litigation threatened against us or our investments, other that routine litigation arising in the ordinary course of business. Management believes the costs, if any, incurred by us related to litigation will not materially affect our financial position, operating results or liquidity.

ITEM 1A. Risk Factors

Risk Factors

There have been no material changes to the risk factors previously disclosed in the prospectus filed pursuant to Rule 424b(4) on June 21, 2007 with the Securities and Exchange Commission in connection with our initial public offering, except for a continued disruption in the Collateralized Debt Obligation (CDO) market and other sectors of the credit markets, as discussed below.

Our funding strategy involves leveraging our investments through borrowings, generally through the use of warehouse facilities, bank credit facilities, repurchase agreements, secured loans, securitizations, including the issuance of CDOs or Commercial Mortgage Bond Securities, loans to entities in which we hold, directly or indirectly, interests in pools of assets, and other borrowings. In the short-term we intend to use warehouse lines of credit to finance the acquisition of assets until a sufficient quantity of eligible assets is accumulated, at which point we intend to refinance through a CDO securitization or other long-term secured financing. Currently, the availability of liquidity through CDOs is very limited due to investor concern surrounding sub-prime mortgage credit risk, hedge fund losses, the large volume of unsuccessful leveraged loan syndications and related impact on the overall credit markets. These concerns have materially impacted liquidity in the debt markets, making financing terms for borrowers less attractive. A prolonged downturn in the term CDO and CMBS markets may cause us to seek alternative sources of potentially less attractive financing, and may impede our ability to grow the Company in accordance with our plan.

ITEM 2. Changes in Securities and Use of Proceeds

Unregistered Sales of Equity Securities

None.

Use of Proceeds from Sale of Registered Securities

On June 22, 2007, the Securities and Exchange Commission declared effective a registration statement of Care Investment Trust Inc. (the ''Company'') on Form S-11 (File No. 333-141634) (the ''Registration Statement''), relating to the Company's initial public offering (the ''IPO'') of up to 15,000,000 shares of common stock, par value $0.001 per share (the ''Common Stock'') through underwriters, of which Credit Suisse Securities (USA) LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated acted as managing underwriters, including 2,250,000 shares of common stock issuable pursuant to an over-allotment option granted to the underwriters.

On June 27, 2007, the Company issued 15,000,000 shares of common stock in the IPO (the ''IPO shares''), at a price to the public of $15.00 per share, for an aggregate offering price of approximately $225,000,000. Included in the IPO shares were 1,725,000 shares purchased by CIT Real Estate Holding Corporation (''Real Estate Holding''), a wholly owned subsidiary of CIT Group Inc. at the initial offering price.

The underwriters received a gross discount of $15,187,500, reduced by an expense reimbursement of $562,500 and a refund of $1,681,875 on the commission related to the 1,725,000 shares purchased by Real Estate Holding. The net proceeds to the Company on the sale of the 15,000,000 shares in the

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IPO, after deducting the underwriting discount on the shares, reimbursements from the underwriters, and offering expenses, were approximately $210.3 million. Approximately $204.3 million of the net proceeds of the IPO were used to fund a portion of the purchase price for the contribution of the initial assets from the Manager, with remainder of the proceeds earmarked for operating needs. The underwriters did not exercise this option to purchase an additional 2,250,000 shares of common stock to cover over-allotments.

ITEM 6. Exhibits

Except as indicated by an asterisk (*), the following exhibits are filed herewith as part of this Form 10-Q.

(a) Exhibits

3.1	Amended and Restated Articles of Incorporation
3.2	Amended and Restated By-laws of the Registrant
10.1	Registration Rights Agreement
10.2	Management Agreement
10.3	Contribution Agreement
10.4	Care Investment Trust Inc. Equity Plan
10.5	Manager Equity Plan
10.6	Form of Indemnification Agreement entered into by the Registrant's directors and officers, incorporated by reference to Exhibit 10.9 of the Registrant's Form S-11, as amended (Registration No. 333141634)*
31.1	Certification of CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of CEO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of CFO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Care Investment Trust, Inc.

By: /s/ Robert O'Neill

Robert O'Neill
Chief Financial Officer,
Treasurer and Secretary

August 14, 2007

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